

2002 Regional Transportation Improvement Program Project Screening Criteria

Eligible Projects

- A. Eligible Projects.** SB 45 (Chapter 622, Statutes 1997) widened the range of projects that are eligible for consideration in the RTIP. Eligible projects include, state highway improvements, local road improvements and rehabilitation, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety.

Planning Prerequisites

- B. RTP Consistency.** Projects included in the RTIP must be consistent with the adopted Regional Transportation Plan (RTP), which state law requires to be consistent with federal planning and programming requirements. Each project to be included in the RTIP must identify its relationship with meeting the goals and objectives of the RTP, and where applicable, the RTP ID number and/or RTP travel corridor and whether the project is to be credited against the county's transit capital shortfall target.
- C. CMP Consistency.** Local projects must also be included in a County Congestion Management Plan (CMP), or in an adopted Capital Improvement Program (CIP) for counties that have opted out of the CMP requirement, prior to inclusion in the RTIP.
- D. PSR or PSR Equivalent is Required.** Projects in the STIP must have a complete project study report or, for a project that is not on a state highway, a project study report equivalent or major investment study. The intent of this requirement is to ensure that the project scope, cost and schedule have been adequately defined and justified. This requirement is particularly important in light of SB 45 timely use of funds requirements, discussed below.

The required format of a PSR or PSR equivalent varies by project type. Additional guidance on how to prepare these documents is available on the internet at the addresses indicated within Part 3 (Project Study Report (PSR), or equivalent) of Attachment E: 2002 RTIP Project Application, which includes a table categorizing PSR and PSR equivalent requirements by project type.

Project Costs and Phases

- E. Escalated Costs.** All projects will count against share balances on the basis of their fully escalated (inflated) costs. All RTIP project costs must be escalated to the year in which project delivery is proposed.

As required by law, inflation estimates for Caltrans operations (support) costs are based on the annual escalation rate established by the Department of Finance. For the 2002 STIP the escalation rate for Caltrans operations is 2.7 percent. The annual inflation factor for Caltrans

capital projects is based on the California Highway Construction Cost Index. For the 2002 STIP period the escalation rate for Caltrans capital construction is 3.4 percent.

Local project sponsors may use the state escalation rates or their own rates in determining the escalated project cost in the year programmed.

F. Project Phases. Projects should be separated into the following project components:

1. Completion of all permits and environmental studies
2. Preparation of all Plans, Specifications, and Estimates
3. Acquisition of right-of-way
4. Construction and construction management and engineering, including surveys and inspections.”

Note: Right-of-way and construction components on Caltrans projects must be further separated into capital costs and Caltrans support costs.

The project sponsor/CMA must display the project in these four components (six for Caltrans projects) in the final submittal. STIP funding amounts programmed for any component shall be rounded to the nearest \$1,000.

G. Fiscal Years of Programming. The 2002 STIP covers the five-year period from FY 2002-03 through 2006-07. Therefore, no new projects will be programmed in FY 2001-02. This includes the programming of any unprogrammed balances from the 2000 STIP. Project sponsors wishing to access funds in FY 2001-02 must program the funds in FY 2002-03, and request an advance of funds into the 2001-02 fiscal year. For delivery purposes, STIP funds will not be amended into the current year of the STIP, unless there is strong justification.

Readiness Standards

H. Project Phases Must Be Ready in the Year Proposed. Funds designated for each project component will only be available for allocation until the end of the fiscal year in which the funds are programmed in the STIP. Once allocated, the sponsor will have two additional years to expend funds. For construction, the sponsor will have one year to award a contract and three years to expend funds. It is therefore very important that projects be ready to proceed in the year programmed.

I. Completion of Environmental Process. Government Code Section 14529(c) requires that funding for right-of-way acquisition and construction for a project may be included in the STIP only if the CTC makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five year STIP period. Furthermore, in compliance with Section 21150 of the Public Resources Code, the CTC may not allocate funds to local agencies for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act (CEQA). Therefore, project sponsors must demonstrate to MTC that these requirements can be reasonably expected to be met prior to programming right-of-way or construction funds in the RTIP.

- J. Programming Project Components in Sequential STIP Cycles.** Project components may be programmed sequentially. That is, a project may be programmed for environmental work only, without being programmed for plans, specifications, and estimates (design). A project may be programmed for design without being programmed for right-of-way or construction. A project may be programmed for right-of-way without being programmed for construction. The CTC recognizes a particular benefit in programming projects for environmental work only, since projects costs and particularly project scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. As the cost, scope and schedule of the project is refined, the next phases of the project may be programmed with an amendment or in a subsequent STIP.

When proposing to program only preconstruction components for a project, the implementing agency must demonstrate the means by which it intends to fund the construction of a useable segment, consistent with the regional transportation plan or the Caltrans interregional transportation strategic plan. The anticipated total project cost and source of any uncommitted future funding must be identified.

- K. Sequential Phasing.** For most projects, the different project phases should be programmed sequentially in the STIP, i.e. environmental before design before right of way before construction. Projects with significant right of way acquisition or construction costs that require more than a simple Categorical Exemption or basic permitting approvals, must not be programmed with the right of way and construction components in the same year as the environmental. Project sponsors must provide sufficient time between the scheduled allocation of environmental funds and the start of design, right of way or construction.

- L. The Project Must Be Fully Funded.** All local projects included in the final CMA RTIP Lists must be accompanied by an authorizing resolution stating the sponsor's commitment to complete the project as scoped with the funds requested. A model resolution including the information required is outlined in Attachment E - Part 1 of this guidance.

The CTC will program a project component only if it finds that the component itself is fully funded, either from STIP funds or from other committed funds. The CTC will regard non-STIP funds as committed when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including RSTP, CMAQ, and Federal formula transit funds, the commitment may be by Federal TIP adoption. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or by grant approval.

All regional agencies with rail transit projects shall submit full funding plans describing each overall project and/or useable project segment. Each plan shall list Federal, State, and local funding categories by fiscal year over the time-frame that funding is sought, including funding for initial operating costs. Moreover, should the project schedule exceed the funding horizon, then the amount needed beyond what is currently requested shall be indicated. This information may be incorporated in the project application nomination sheets.

M. Field Review for Federally Funded Local Projects. One way to avoid unnecessary STIP amendment and extension requests is to conduct a field review as early as possible, so potential issues may be identified with sufficient time for resolution.

By requesting funding for a federally-funded project in the RTIP, the project sponsor agrees to contact Caltrans and schedule and complete a project field review within 6-months of the project being included in the adopted STIP. For the 2002 STIP, Caltrans field reviews should be completed by November 1, 2002. This includes federally funded projects carried over from the 2000 STIP. This requirement only applies to projects receiving federal funds. Field reviews for State-only funded projects need not receive a field review from Caltrans.

Other Requirements

N. Availability for Audits. Sponsors must agree to be available for an audit if requested. Government Code Section 14529.1 “The commission [CTC] shall request that the entity receiving funds accept an audit of funds allocated to it by the commission, if an audit is deemed necessary.

O. Interregional Projects May Be Proposed Under Some Restrictive Circumstances. The project needs to be a usable segment, must not be a pre-condition for an RTIP project, and must be more cost-effective than a Caltrans project alternative. Government Code Section 14527 (c) [A project recommended for funding by the RTPA for in the Interregional Improvement Program] shall constitute a usable segment, and shall not be a condition for inclusion of other projects in the RTIP.” Government Code Section 14529 (k) “... the commission [CTC] must make a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by the department...”

P. Premature Commitment of Funds. The project sponsor may not be reimbursed for expenditures made prior to the allocation of funds by the CTC (or by Caltrans under delegation authority), unless the provisions of Assembly Bill 872 (Chapter 572, Statutes of 1999 – Section 14529.7 of the Government Code) are met in accordance with the CTC Guidelines for Implementation of AB872. Under no circumstances may funds be reimbursed for expenditures made prior to the funds being programmed in the STIP.

Q. State-Only Funding. For all state-only funding requests there must be a notation of such a request in the “Special Funding Conditions or Terms” section of the RTIP Nomination Sheet, as well as in the CMA RTIP project list. For projects sponsors requesting state-only funding for projects that do not meet the pre-approved state-only funding categories, sponsors should also include a copy of the Caltrans “Request for Exception to Project Funding Policy” form as part of their RTIP application submittal. The original must be sent directly to Caltrans, HQ Budgets for processing and approval by Caltrans prior to MTC submittal of the final RTIP to the CTC on December 15, 2001. This includes any request for STIP PTA matching funds for Article XIX restricted projects.